

#### HOUSING FINANCE AUTHORITY

25 WEST FLAGLER STREET SUITE 950 MIAMI, FLORIDA 33130-1720 (305) 372-7990 FAX (305) 371-9152

# HOUSING FINANCE AUTHORITY REGULAR MEETING

**DATE:** Monday, August 22, 2005

2:00 P.M

**PLACE:** 25 West Flagler Street

Suite 950

Miami, Florida 33130

#### **AGENDA**

I. Roll Call

II. Approval of Minutes

None

III. Requests

- A) Removal of Land Use Restriction Agreement -Bella Vista Apartments (formally Golfview)
- IV. Updates
  - A) 2004 Single Family Bond Program
  - B) Foundation/Community Outreach
  - C) Subsidy For Multifamily Rental Units
- V. Other Business

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http://www.miamidade.gov/hfa



#### **MEMORANDUM**

TO: HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY

FROM: MARIANNE F. EDMONDS

RE: BELLA VISTA APARTMENTS/aka VALENCIA ISLES/aka MONTICELLO

**DATE:** AUGUST 18, 2005

#### Background

Fairfield Residential acquired AIMCO's membership in AIMCO Bella Vista, L.L.C. (the Developer) in 2003. The acquisition included 856 units which were built in two phases. Phase II includes 352 units and was financed with the Authority's tax exempt bonds issued in 1985, remarketed in 1998 and refunded in 2000. At the time of the refinancing in 2000, the Developer agreed to extend the term of the land use restriction agreement through June 1, 2010. The land use restriction agreement provides that 20% of the units be held available for tenants whose income does not exceed 80% of the County median income as determined by HUD.

#### Proposal

Fairfield has requested that the Authority agree to the termination of the land use restriction agreement so as to facilitate their sale of the property. In order to secure the release of the land use restriction agreement, Fairfield has proposed making an \$800,000 payment to the Authority and creating a fund in the amount of \$200,000. This fund would be administered by the Authority and would be used to provide down payment assistance to occupants of the 71 targeted units. Unused portions of the fund would be returned to Fairfield (or the purchaser) at the end of one year. Additional details of the proposal are described in Fairfield's letter dated August 15, 2005, a copy of which is attached to this memorandum.

#### Analysis

We have compiled some information to assist the Authority members in their analysis of this proposal. According to a letter from Fairfield dated September 6, 2003 (copy attached), the purchase price of Phase II was \$18,313,000 (\$52,025 per unit), and another 4,400,000 (approximately \$12,500 per unit) was spent on renovation, resulting in a total basis of \$22,713,000 or \$64,525 per unit.

We have surveyed a series of market participants in the Miami Lakes area. Based upon these conversations we believe that these units can be sold to a condominium converter for \$95,000 to \$120,000 per unit.

There are a number of ways to determine the dollar value of the termination of the land use restriction agreement. One approach focuses on the value of the restriction to the tenants of the 71 targeted units. We reviewed information available to us about the tenants of the targeted units. We began with the assumption that the incomes of those tenants would be close to 80% of median or \$43,600. However, Authority staff has reviewed income certifications for the 19 units that were recertified between March and June of 2005 and found that the average tenant income is approximately \$34,900. The affordable rent for these tenants is in range with the rents currently charged at Bella Vista but is approximately \$100 below the rent at other area properties.

At this income level, tenants will qualify for a mortgage of approximately \$85,000 to \$100,000, below the expected price of the Bella Vista condominiums.

A second approach attempts to quantify the difference between the value of the property as rental units and its value upon conversion to condominiums. For this we refer to Fairfield's basis of \$64,525 as compared to Fairfield's expected sale price and then the value to the condominium converter.

#### Conclusion

The Authority's review of the proposal from Fairfield Residential must focus on several key elements:

Public purpose—The Authority's issuance of refunding bonds in 2000 was in part based upon the Developer's agreement to extend the term of the land use restriction agreement. The Authority has to determine if public purpose is being served by the Fairfield proposal. This analysis involves considering the impact on the served community and economic cost of the loss of the restricted units.

Fair Value—The Authority has the difficult task of determining a fair value for the termination of restrictions. As discussed above, one approach is to determine the cost to tenants of the loss of the restricted units for the period from now through June 2010. Another equally important approach involves determining the value of the termination of restrictions to the owner and then requiring that the Authority receive a "fair share" of the increased value. It is our view that this "fair share" must be equal to or greater than the cost of the loss of the restrictions to the affected tenants.

We look forward to discussing this matter in more detail at Monday's Authority meeting.

### Letter from Fairfield Residential Dated August 15, 2005

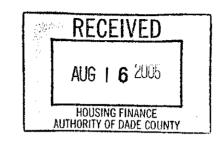
Concerning Proposal to Terminate Land Use Restriction Agreement

Facsimile (858) 457-0254

August 15, 2005

#### VIA E-MAIL AND UPS OVERNIGHT DELIVERY

Ms. Pat Braynon ExecutiveDirector Ms. Mary Aguilar Administrative Officer Miami Dade Housing Finance Authority 25 West Flagler Street Suite 950 Miami, Florida 33130-1720



Re: Monticello Apartments

Miami, FL

Dear Ms. Braynon and Ms. Aguilar:

Let me first thank you for all your efforts with respect to our appearance and presentation at the Housing Authority meeting of Monday, August 8th. I thought the entire situation was handled very professionally and although there wasn't immediate agreement among the parties, it appears that everyone seems committed to finding a mutually acceptable solution. Separately, thank you for meeting with me beforehand and for the insight which you provided with respect to the meeting.

As discussed, this letter is written to provide additions to our original proposal, as well as address certain issues and concerns raised at Monday's meeting. It is not intended to address every item that may have been raised, or every issue that may be at hand, however, I think you will find it addresses the most critical items discussed. To the extent that I have excluded something of importance, please contact me immediately and we will attempt to address those additional items.

With respect to questions and/or open issues, our responses would be as follows:

- 1. The entity purchasing the property is Monticello 856 LLC, a Florida limited liability company whose Manager is Omar A. Hernandez.
- 2. Subsequent to the acquisition of the property by the purchaser, the new owner will provide a notice to all tenants disclosing that the property will be converted to condominiums, please see attached notice.
- 3. With respect to all tenants in occupancy at the property, within 90 days following the notice of conversion, the converter shall deliver the following to all tenants who have

resided in the existing improvements at least 180 days, and to all tenants who have qualified as moderate income tenants, irrespective of the length of their occupancy:

- (a) an offer to sell the unit and the price and terms for same;
- (b) an economic information disclosure; and
- (c) a complete set of condominium documents

After receipt of the foregoing items, the tenant shall have 45 days to elect to purchase the unit. If the developer subsequently offers the unit at a lower price, the developer shall give the tenant a right of first refusal to purchase the unit at the lower price, and the tenant shall have 10 days to consider such lower offer. The right of first refusal expires upon (i) termination of the lease or any extension of same, (ii) a waiver in writing by the tenant of the right of first refusal at a time subsequent to the giving of the notice of conversion, or (iii) the expiration of the 45 or 10 day decision period, as applicable.

- 4. Additionally, Fairfield will provide a list of Fairfield properties in the greater Miami area that both have the 20% restriction, as well as market rate properties. We will work with the purchaser and those tenants who fall in the moderate income category to facilitate their relocation to one of our other properties, should they desire to do so. Obviously, if they transfer, we will be able to transfer security deposits, pet deposits, etc., however, rental rates will have to be consistent with market rate rental at the property to which they are transferring.
- 5. We are working with the purchaser to provide a relocation plan for residents of the 71 units, and we expect to have that for presentation to you within the next few business days. However, the relocation plan will include but not be limited to, the following items:
  - a. The notice provisions outlined above.
  - b. A list of comparable properties in the area and rental rates being charged for units at that property.
- 6. As you are aware, we are proposing to pay the Housing Authority \$800,000 to secure their release of the Regulatory Agreement. Additionally, we are prepared to, in concert with the purchaser, establish a fund of \$200,000 to provide down payment assistance to occupants of the 71 targeted units who wish to purchase their unit and remain at the property.

This fund would be administered by the Housing Authority and would be utilized in concert with the other programs which were identified during the Housing Authority meeting on Monday. This would be a discretionary fund and any monies not utilized for down payment assistance at the subject property would, after one year, be returned to Fairfield and/or the property purchaser.

I do not necessarily believe that the above addresses all of the items which were left open, however, I think it addresses the major items.

To again summarize a conversation which we undertook at the meeting; we believe that our proposal of \$800,000 is justified in that were a new affordable project to be undertaken in the Miami Dade area, of approximately 100-110 units, utilizing 60% rents and taking into account the cost of land and the cost of construction, this \$800,000 could be utilized by the Authority to provide soft subordinate debt, which would equate to approximately 8% and 12% of the total debt amount the project could support.

As discussed, without soft subordinate debt such as this, in today's market, it is difficult to make affordable transactions truly pencil out. By the utilization of these funds, we believe that we will facilitate the construction and/or rehabilitation of approximately 100-110 affordable units. I would emphasize that these units would be 60% of area median income wherein there are both rent restrictions as well as income restrictions.

Alternatively there is a five-year sunset on the Monticello Regulatory Agreement, at that time these restrictions will go away at no cost. Additionally, there are no rental restrictions in this Regulatory Agreement, so although 71 units are set aside for families at or below 80% of area median income, they must pay market rent and also remain subject to any increases in market rent perpetuated by this competitive marketing.

I would appreciate if you would cause this information to be disseminated to the members of your board and staff, and that you also notify me of what additional information or documentation you or they wish to see. Although the purchaser has reviewed and commented on prior drafts, they have not had an opportunity to review this final draft and should they have any further comments, they will be transmitted to you Tuesday morning August 16.

I look forward to working with you to provide you with the information and documentation required, and working with the Authority to bring this request to a successful conclusion. I look forward to seeing you in Miami on Monday, August 22<sup>nd</sup>.

Lastly, I would like to reiterate my appreciation to you and to the members of your board for their interest and cooperation with respect to this request.

Cordially,

FF REALTY LLC

Stanley P. Herskovitz Senior Vice President

Stanley A. Herskovity/se

TO: (Tenant's Name) or CURRENT TENANT

RESIDENTIAL TENANT AND ALL PERSONS CLAIMING BY, THROUGH AN UNDER SAID TENANT.

UNIT # (Actual Number)
(Address)

NOTICE OF INTENDED CONVERSION TO CONDOMINIUM

DEAR	TENANT:

UNIT # (Actual Number)

YOU ARE HEREBY NOTIFIED that these apartments are being converted to condominium by \_\_\_\_\_, the developers.

Pursuant to Florida Statute 718.608, you have the following rights:

- 1. YOU MAY REMAIN AS A RESIDENT UNTIL THE EXPIRATION OF YOUR RENTAL AGREEMENT. FURTHER, YOU MAY EXTEND YOUR RENTAL AGREEMENT AS FOLLOWS:
- (a) If you have continuously been a resident of these apartments during the last 180 days and your rental agreement expires during the next 360 days, you may extend your rental agreement for up to 360 days after the date of this notice.
- (b) If you have not been a continuous resident of these apartments for the last 180 days, and your rental agreements expire during the next 270 days, you may extend your rental agreement for up to 270 days after the date of this notice.
- (c)IN ORDER FOR YOU TO EXTEND YOUR RENTAL AGREEMENT, YOU MUST GIVE THE DEVELOPER WRITTEN NOTICE WITHIN 45 DAYS AFTER THE DATE OF THIS NOTICE.
- 2. IF YOUR RENTAL AGREEMENT EXPIRES IN THE NEXT 45 DAYS, you may extend your rental agreement for up to 45 days after the date of this notice while you decide whether to extend your rental agreement as explained above. To do so, you must notify the developer in writing. You will then have the full 45 days to decide whether to extend your rental agreement as explained above.
- 3. During the extension of your rental agreement you will be charged the same rent that you are now paying.

- 4. YOU MAY CANCEL YOUR RENTAL AGREEMENT AND ANY EXTENSION OF THE RENTAL AGREEMENT AS FOLLOWS:
- (a) If your rental agreement began or was extended or renewed after May 1, 1980, and your rental agreement, including extensions and renewals, has an unexpired term of 180 days or less, you may cancel your rental agreement upon 30 days written notice and move. Also, upon 30 days written notice, you may cancel any extension of the rental agreement.
- (b) If your rental agreement was not begun or was not extended or renewed after May 1, 1980, you may not cancel the rental agreement without the consent of the developer. If your rental agreement, including extensions and renewals, has an unexpired term of 180 days or less, you may, however, upon 30 days' written notice cancel any extension of the rental agreement.
- 5. All notices must be given in writing and sent by mail, return receipt requested, or delivered in person to \_\_\_\_\_\_, at this address:
- 6. If you have continuously been a resident of these apartments during the last 180 days:
- (a) You have the right to purchase your apartment and will have 45 days to decide whether to purchase. If you do not buy the unit at that price and the unit is later offered at a lower price, you will have the opportunity to buy the unit at the lower price. However, in all events your right to purchase the unit ends when the rental agreement or any extension of the rental agreement ends or when you waive this right in writing.
- (b) Within 90 days you will be provided purchase information relating to your apartment, including the price of your unit and the condition of the building. If you do not receive this information within 90 days, your rental agreement and any extension will be extended 1 day for each day over 90 days until you are given the purchase information. If you do not want this rental agreement extension, you must notify the developer in writing.
- 7. If you have any questions regarding this conversion or the Condominium Act, you may contact \_\_\_\_\_\_ at \_\_\_\_ or the state agency which regulates condominiums: The Division of Florida Land Sales, Condominiums, and Mobile Homes, Northwood Centre, 1940 North Monroe Street, Tallahassee, FL 32399-1032, or call 1 (800) 226-9101.
- 8. YOU MUST BE a member of the class of tenants entitled to the benefits of the extension period to claim right to the extension.
- 9. NOTE FURTHER that paragraph 2 hereinabove provides tenants the right to take forty-five (45) days after the date of this notice to decide whether to extend their rental agreements, provided that tenants notify the DEVELOPER in writing. The Department of Business and

Professional Regulations Rule 61B-24.003(3), F.A.C. provides that each tenant has forty-five (45) days to make this decision unless the right of occupancy expires sooner and the tenant has not elected to extend the rental agreement to obtain the forty-five (45) day decision period. When a tenant's right of occupancy expires prior to the expiration of the forty-five (45) day period, the tenant's right to extend the rental agreement lapses upon the expiration of the right of occupancy.

The undersigned provides you this Notice of Intended Conversion without prejudice, including, but not limited to, its right to test the applicability and constitutionally of said laws under which this Notice of Intended Conversion is required in a court of competent jurisdiction.

Very truly yours,

### Letter from Fairfield Residential Dated September 6, 2003

Concerning Transfer of Interest from AIMCO to Fairfield

Facsimile (858) 457-0254

September 6, 2003



Patricia Braynon
Executive Director
Housing Finance Authority of Miami-Dade County
25 West Flagler Street
Miami, FL 33010

Re: Valencia Isles Apartments I and II

Dear Ms. Braynon,

Unfortunately, we were unable to connect and to speak either Thursday or Friday, however, I wanted to get information to you as soon as possible. I know you have spoken to Nancy Lash of the law firm of Greenberg Traurig and she has provided you with most of this information concerning this proposed transaction. This letter is written to provide you with further details regarding the acquisition of the subject properties as well as information on the purchaser, a Fairfield Residential entity.

As you know, the Valencia Isles Apartments is a project of 856 units which is divided into two phases. Phase I is 504 units and is conventionally financed. Phase II, consisting of 352 units, was financed through the sale of tax exempt private activity municipal bonds issued by Housing Finance Authority of Miami-Dade County. The bonds are currently unenhanced due to the fact that they are owned in bulk by General Electric Credit Corporation, this structure is evidenced by a loan agreement which provides, among other provisions, that interest on the bonds is paid at the rate of 6.99% per annum interest, the pay schedule currently provides for a twenty year amortization schedule of which approximately 18 years is remaining. There are currently outstanding \$12,765,000 of bonds.

Fairfield has entered into a contract with AIMCO, the current owner of the property to purchase both phases of the Valencia Apartments. Total purchase price is \$49,000,000, of which \$30,687,000 is apportioned to Phase I and \$18,313,000 is apportioned to Phase II. Phase I of the project is being financed separately by the execution of a new loan which will be provided by Berkshire Mortgage Finance, a Fannie Mae DUS lender, who will cause the loan to be sold to Fannie Mae. The existing Freddie Mac indebtedness is being retired at the time of closing.

Fairfield is intending to purchase Phase II by the payment of cash to the existing bond indebtedness. Taking into account closing costs and monies held in the principal reserve fund by GE, as well as other escrows, equity at closing will be in excess of \$12,000,000.

Patricia Braynon September 6, 2003 Page 2

Additionally, Fairfield is desirous addressing certain deferred maintenance items as well as completing certain upgrades at the property. These items will include, but are not limited to, repainting the property in its entirety, re-landscaping the property, re-roofing all buildings at the property with the exception of two roofs which were recently completed by the seller. All exterior and interior deferred maintenance will be addressed and there will also be certain upgrades to the unit interiors. The anticipated renovation budget for Valencia Isles Phase II is approximately \$4,400,000 which equates to approximately \$12,500 per unit.

Pursuant to the loan agreement between the parties, certain guarantees have previously been provided by AIMCO, it is the intention of the parties that Fairfield seek the approval of HFA to allow for this acquisition as well as modification of that agreement to provide that Fairfield Residential LLC will provide the guarantees required under the loan agreement.

In case you are not familiar, Fairfield is a national company focused in the development, acquisition and management of multifamily projects throughout the United States. Currently, Fairfield operates in excess of 55,000 apartment units nationally.

Fairfield has been identified by Builder Magazine as the most prolific developer of apartment properties in the United States over the last five years. We have enclosed information indicating that a recent survey done by the magazine indicated that on average, over the last five years, Fairfield has developed 7,700 units per year. Additionally, Fairfield is one of the largest national purchasers of apartment properties. Last year, Fairfield purchased \$560,000,000 in assets, and it is anticipated that in 2003 we will purchase in excess of \$600,000,000 in assets.

Of the 55,000 units operated by Fairfield at this time, approximately 9,600 of those units are in complexes wherein the properties are financed with municipal bond debt and where a regulatory agreement exists. Of these properties, approximately 3,500 units are in properties where in addition to municipal bond debt there is tax credit equity. Therefore, we maintain a significant and ongoing relationship with a number of issuers throughout the United States, and operate bond financed multifamily housing in five states.

For your convenience we have enclosed herein the most current audited consolidated financial statement as well as the most current quarterly unaudited consolidated financial statement for Fairfield Residential LLC. Additionally we have provided a Financial Overview which contains information regarding each of our owned assets and all of Fairfield's debt and equity in each property as well as information on our equity partners. We have also provided information on our acquisition/redevelopment group, its activities and some information on our affordable housing group. Fairfield maintains a separate affordable housing division whose members are affordable housing asset managers, affordable housing property managers, as well as an in-house compliance group.

Patricia Braynon September 6, 2003 Page 3

It is my understanding that there is a meeting of the Issuer on September 22, and it is hoped that this item can be taken up at that meeting. It would be my intention, unless you indicated that it was not necessary, that I appear to answer any questions or address any concerns at that time. Additionally, if you feel it is advisable, I will be glad to come to Miami to meet with you prior to and in preparation for that presentation.

After you have had an opportunity to review the enclosed, I believe that you will find that Fairfield has significant experience in the operation of bond financed affordable housing projects and is a viable purchaser for the subject property. We are by this correspondence requesting that you review the enclosed and recommend to the appropriate bodies the approval of the transfer of the subject property to the Fairfield entity purchasing the property. Also, we would appreciate your putting us in touch with the City Attorney's office, so that we can work with that office and GECC's counsel to cause the appropriate documentation to be prepared for Issuer approval.

I am sure that after you have reviewed the enclosed that there will be questions or comments, and in that regard I invite you to contact the undersigned or Debbie Ruane at our offices in California. The number here is (858) 457-2123. We look forward to talking to with you and working with you in this process.

rdially,

Stanley P. Herskovitz Vice President

SPH:sc

cc:

Nancy Lash via e-mail w/o attachments David Marquette via e-mail w/o attachments Jeff Scharff via e-mail w/o attachments Debbie Ruane via e-mail w/o attachments

encl.

# US Bank Home Mortgage - MRBP

# 2004 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 8/17/2005

Program End Date 10/22/2005

ORIGINATOR SUMMARY				
	Loans	Total Originated	<del></del>	
D. I. Alles C. EODIODA I ENDINO	0	Amount		
Bank Atlantic FSB/CRA LENDING	2	139,689		
Chase / Bank One	50	7,006,271		
CitiBank (CitiMortgage)	5	367,367		
Home Financing Center	1	184,300		
WAMU	14	1,377,235		
Total	72	\$9,074,862		
LOAN TYPE TOTALS				
	Loans	Total Originated Amount	% of Total	
FHA	37	5,172,096	56.99	
FNMA 97%	7	833,520	9.18	
FNMA CHBP 3/2	4	287,893	3.17	
FNMA Conv.	21	2,593,291	28.58	
FNMA HFA Community Solution	1	39,000	.43	
FNMA HFA Home	2	149,062	1.64	
Total	72	\$9,074,862	100.00	
NEW/EXISTING TOTALS	Loans	Total Originated Amount	% of Total	•
Existing	61	8,040,893	88.61	•
New	11	1,033,969	11.39	
Total	72	\$9,074,862	100.00	
TARGET/NON-TARGET TOTALS				
	Loans	Total Originated Amount	% of Total	
Non Target	68	8,681,968	95.67	
Target	4	392,894	4.33	
Total	72	\$9,074,862	100.00	
HOUSING TYPE TOTALS		- 702		
	Loans	Total Originated America	% of Total	
1 Unit Detached		Total Originated Amount	% of Total 50.39	
	37	4,572,699		
Condo	24	2,930,217	32.29	
Duplex	3	423,450	4.67	
Townhouse	8	1,148,496	12.66	
Total	72	\$9,074,862	100.00	

# **US Bank Home Mortgage - MRBP**

# 2004 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 8/17/2005

Program End Date 10/22/2005

*Spot-General	Loans 71	Total Originated Amount 8,984,862	% of Total 99.01
Rehab	1	90,000	0.99
Total	72	\$9,074,862	100.00

INTEREST RATE BREAKDOWN					
	Interest Rate Limit	Loans	Total Originated Amount	% of Total	
4.99000%		8	792,218	8.73	
5.75000%		64	8,282,644	91.27	
Total		72	\$9,074,862	100.00	

PROGRAM PIPELINE	Loans	Total Originated Amount	% of Total	Pool / Trustee Amount
Reservation	11	1,218,245	13.42	
UW Certification	13	1,496,192	16.49	
Exceptions	· 1	59,529	0.66	
Compliance Approved	10	1,042,471	11.49	
Purchased	4	658,080	7.25	
Sold to Trustee	33	4,600,345	50.69	4,589,517.72
Total	72	\$9,074,862	100.00	

RACE & ETHNICITY	Loans	Total Originated Amount	% of Total	
Black & Hispanic	2	137,649	1.52	
Black/African American	26	3,230,282	35.60	
Other Multi-racial	3	419,497	4.62	
White	12	1,709,631	18.84	
White & Hispanic	29	3,577,803	39.43	
Total	72	\$9,074,862	100.00	

SUMMARY			· · · · · · · · · · · · · · · · · · ·
		Averages:	
Original Allocation	\$10,000,000.00	Loan Amount	\$126,040
Available Allocation	\$925,138	Purchase Price	\$154,066
Total Originated Amount	\$9,074,862	Compliance Income	\$37,405
Total Originated Loans	72		
•	90.75%	Borrower Age	33.6
Percentage Originated	90.75%	Household Size	2.2
First Time Home Owner	100%	Employed in Household	1.2

# US Bank Home Mortgage - MRBP

# 2004 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 8/17/2005

Program End Date 10/22/2005

COUNTY TOTALS  MIAMI-DADE	Loans 72	Total Originated Amount 9,074,862	% of Total	
Total	72	\$9,074,862	100.00	
BREAKDOWN BY CITY	Loans	Total Originated Amount	% of Total	
HOMESTEAD	5	693,726	7.64	
UNINCORPORATED MIAMI-DADE	61	7,767,076	85.59	
MIAMI BEACH	1	112,100	1.24	
MIAMI GARDENS	1	168,667	1.86	
OPA LOCKA	4	333,293	3.67	
Total	72	\$9,074,862	100.00	

# HOUSE HOUSE

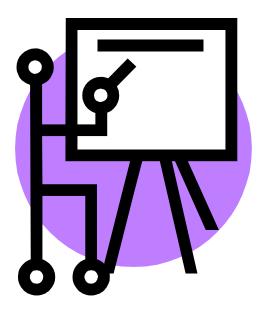


Time: 3:00 P.M.

Location: 19 West Flagler Street

Suite 311

The staff of the Miami-Dade
Affordable Housing Foundation
invites you to our "Open House"
at our beautiful new office. There
will be an afternoon buffet for
your enjoyment. Hope to see
you there!



Contact person: Cynthia 305-373-9750



**TO:** PATRICIA BRAYNON, EXECUTIVE DIRECTOR

HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY

FROM: MARIANNE EDMONDS

**RE**: SUBSIDY FOR MULTIFAMILY RENTAL UNITS

**DATE**: AUGUST 18, 2005

I have put together a proposal for using Authority funds to provide "gap" financing multifamily rental bond financings. This proposal is a response to the conversations during the Developer's Roundtable held earlier this year and the spirited discussion at the August 8 Authority meeting.

**Proposal:** To provide "gap financing" for bond financed acquisition/substantial rehabilitation of multifamily rental properties.

Amount of Funding: \$2,000,000

Source of Funds: Authority Reserves, including McKinney Act funds as permitted

**Eligible Developments:** Elderly Housing, Assisted Living Facilities, Mixed Income, Mixed Use, Adaptive Reuse Developments, and Historic Rehabilitation, Transit Oriented Developments

**Allocation of Funds:** Applicants must submit a bond application that includes a statement that they seek "gap" financing from the Authority. Authority will award subsidy subject to credit underwriting and financing approval.

#### **Terms and Conditions:**

- The proceeds of all bond subsidy loans shall be used for the acquisition and substantial rehabilitation of affordable, safe and sanitary rental housing.
- The bond subsidy loan may be in a second or other subordinated lien position. Bond subsidy loans may be subordinate the SAIL loans funded by the Florida Housing Finance Corporation or loans in a greater amount than the subsidy loan made by the Authority.
- The total of all superior mortgages combined with the bond subsidy loan shall not exceed appraised value of the Development.
- Debt service coverage on all superior loans and the bond subsidy loan shall not be less than 1.00 times.
- Bond subsidy loans shall bear a ----% interest rate and shall amortize over a \_\_\_\_ year term. (These terms need to be discussed in more detail. We do propose that payment due in full on sale or refinance.)